



# Water and Sewer Master Plan Update

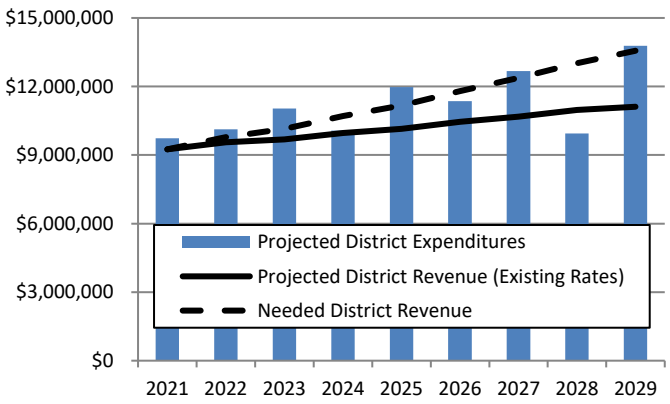
*How the District's Upcoming System Needs Might Affect your Water and Sewer Rates*

## Upcoming System needs

Magna Water District (MWD) has recently completed a master plan of the facilities used to deliver water and sewer services to its customers. As detailed in an informational flyer last month, the master plan identified nearly \$98 million in capital costs needed in the next 10 years. This will need to be covered by both the District and future development.

## What do the District's upcoming system needs mean for MWD and its customers?

Projected revenues and expenditures in the MWD water system are shown below (projections for sewer are similar).



As can be seen in the projection, revenues based on existing rates will not be adequate to fund the identified needs of the District. The District needs to find a way to increase revenue or it will be unable to provide the quality service its customers have come to expect. Needed annual increases in revenue are expected to be about 5 percent.

## What is MWD doing to keep my water and sewer rates affordable?

MWD realizes that even small increases in water and sewer rates can represent a hardship for many residents. As a result, it is a priority of the District to keep rates as affordable as possible by first looking for opportunities to minimize costs before seeking additional revenue from customers. Activities the District is pursuing to minimize required revenue increases include:

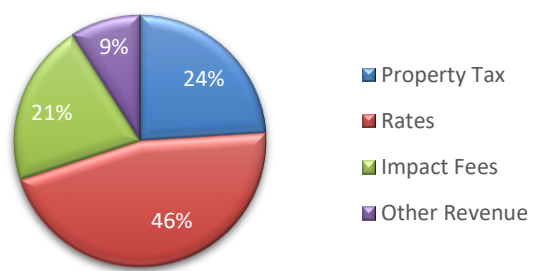
- Reviewing operation and maintenance activities to eliminate inefficiencies and waste.
- Setting equitable impact fees to make sure future growth pays for itself.
- Proactively investing in asset management to minimize the long-term ownership costs of infrastructure.

Through these efforts, MWD has been successful at maintaining affordable water and sewer rates. A survey of other similar communities indicates that Magna rates are among the lowest in the state. Please refer to the two charts on the following page to see Magna rates for a typical residential customer in relation to other similar municipalities in Utah.

## How does the District Generate Revenue?

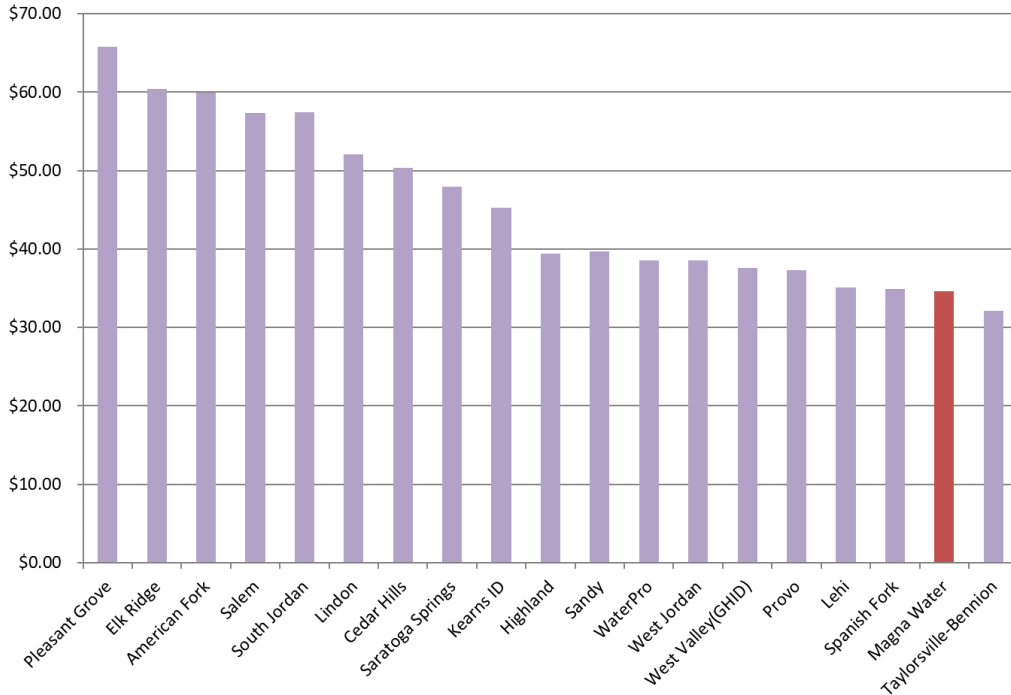
There are a limited number of revenue sources available to the District. The following chart shows the revenue and their respective portion of the District's total revenue in 2020.

### REVENUE

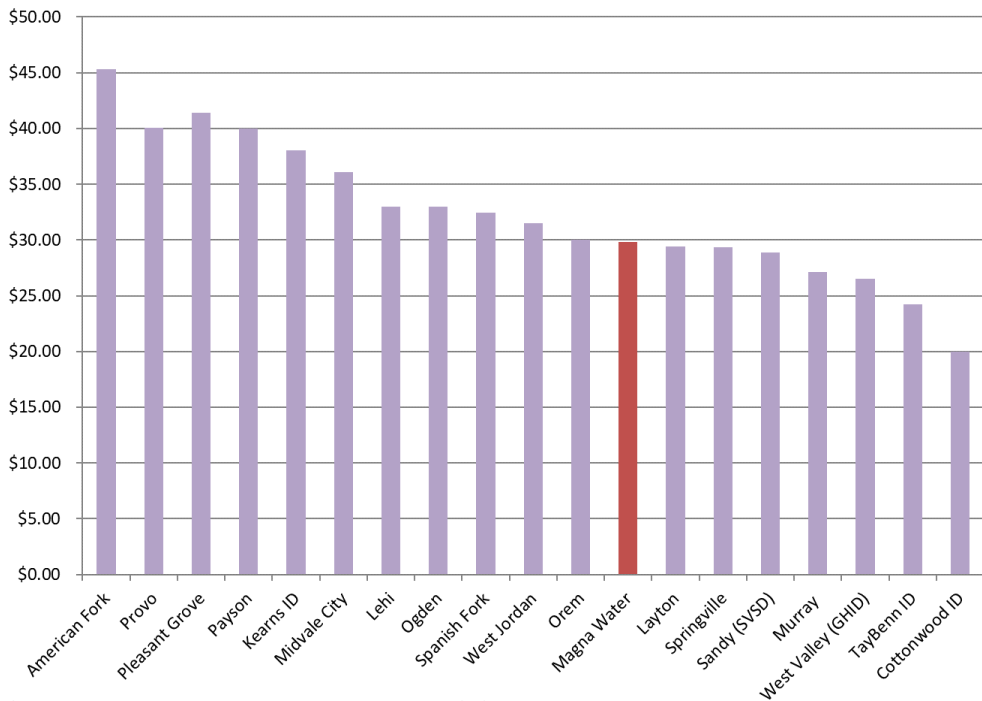


- Property taxes were last increased in 2019. The District is not anticipating an increase in 2021, however they are reviewed annually to ensure revenue collection is equitable between property owners with or without connections as both benefit from District infrastructure.
- Impact fees were recently updated in January 2021 as part of the District's amendments to the Impact Fee Facility Plan and Analysis. Impact fees were increased to the maximum allowed under State law.
- This leaves rates as the only remaining option for increasing revenues. The District chose not to raise rates in 2020 due to the pandemic and is considering delaying any rate increase until January 2022. An increase of 5% would result in a cost increase of approximately \$1.50 per month on an average sewer bill and \$1.70 per month on an average water bill.

**Average Monthly Water Rates**



**Average Monthly Sewer Charges**



\*FYE 2029 rates based on annual increase to account for inflation only (3%)

## How can I participate in the decision making?

Customer feedback regarding how the District meets these upcoming challenges is highly valued. You can provide input by submitting a comment via email to [info@magnawater.com](mailto:info@magnawater.com). A public hearing regarding any potential rate changes is expected in April (date and time TBD). Because of COVID 19 and limited seating capacity, virtual attendance is currently required.